

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

PROMEGA CORPORATION,

Plaintiff,

v.

OPINION AND ORDER

12-cv-049-wmc

APPLIED BIOSYSTEMS LLC and
CALIFORNIA INSTITUTE OF
TECHNOLOGY,

Defendants.

In this action, Promega Corporation is suing Applied Biosystems LLC and the California Institute of Technology for a declaratory judgment of invalidity, unenforceability and non-infringement of United States Patent Number RE43,096. Both defendants have moved to dismiss Promega's second amended complaint for lack of jurisdiction and -- as to part of the complaint -- for failure to state a cognizable legal claim.¹ Caltech has also moved to transfer this case to its home forum, the Central District of California. For the reasons stated below, the court will deny both motions.

BACKGROUND

Promega Corporation ("Promega") and Applied Biosystems ("Biosystems") are large biotechnology companies based, respectively, in Madison, Wisconsin, and the San

¹ In the interim between the filing of the instant motion to dismiss and this court's decision, Promega obtained leave to file a *third* amended complaint, which is substantially identical to the second, and which for purposes of this opinion will be considered the operative pleading.

Francisco Bay Area. Defendant California Institute of Technology (“Caltech”) is a renowned research university located in Pasadena, California.

At some time during or before 1984, five scientists jointly conceived of and reduced to practice a novel process for detecting and identifying DNA fragments produced in DNA sequencing operations. The inventors assigned their right to patent this technology to Caltech. In turn, Caltech filed a patent application with the United States Patent and Trademark Office on January 16, 1984. Although that application was never granted, Caltech filed a series of continuations and continuations-in-part over the ensuing two decades, claiming additional enhancements developed after the 1984 parent application was filed.

One of these continuation applications, No. 07/106,232, was filed with the USPTO on October 7, 1987. Shortly thereafter, Caltech and Biosystems² entered into an agreement transferring certain rights associated with this continuation application to Biosystems. The agreement provides in pertinent part:

“As between CALTECH and ABI [Biosystems], ABI shall have the sole right, and the obligation, to seek and grant licenses to all qualified parties on reasonable terms and conditions.”

...

ABI may, at its option and at its own expense, through attorneys of its own selection, take appropriate action to terminate or prevent [] infringement, provided, however, that ABI may not bring an action nor enter into any settlement

² Many of the activities that the court attributes to “Biosystems” in this background for purposes of simplicity were actually performed by its predecessor and/or its parent company. At least for purposes of deciding the issues in this opinion, there is no need to distinguish between these entities.

agreement with an accused infringer without written approval of CALTECH, which approval will not be unreasonably withheld. CALTECH agrees to be joined as a party plaintiff in any such action. If ABI takes no action within ninety (90) days of the discovery of the infringement, then CALTECH at its option, may take such action as it deems appropriate, including but not limited to the right to license others to make, have made, use and sell Licensed Apparatus.

(Caltech Agreement., dkt. #40, Ex. B at 5, 15.)³

On March 13, 2001, after several more continuations and continuations-in-part, Caltech finally obtained United States Patent No. 6,200,748 (the '748 patent). That same year, Promega sued Biosystems in this court for infringement of a different patent and Biosystems counterclaimed, asserting infringement of the '748 patent. *Promega Corp. v. Applera Corp.*, W.D. Wis., No. 3:01-cv-244-bbc. The parties ultimately resolved their dispute and, on August 29, 2006, entered into a cross-license agreement in which (1) Promega obtained a license to use the '748 technology in exchange for a sales royalty, and (2) Biosystems obtained a license to use some of Promega's patented technology. The agreement restricted use of all cross-licensed technology to the "Genetic Identity Field."

In May 2010, Promega sued Biosystems in this court over the cross-license agreement, asserting that Biosystems was using licensed technology for applications

³ Caltech's unpersuasive argument to the contrary (Caltech Brief in Reply, dkt. #111, at 9), the parties essentially agree that this contract transferred, *at the very least*, an exclusive license, because Biosystems was granted the exclusive right to make, use, and sell the patented technology, with a de minimis exception for a handful of discrete, pre-determined, non-exclusive licenses specifically identified in the agreement. In this opinion, the court need not (and does not) decide whether this agreement transferred *all* substantial rights under the patent (making Biosystems a "virtual assignee") or merely an exclusive license.

outside the “Genetic Identity Field,” and thus infringing on its patents. Judge Crabb’s November 29, 2011, ruling on the parties’ cross motions for summary judgment interpreted “Genetic Identity Field” narrowly, shrinking (at least in Biosystem’s estimation) the scope of technological applications covered by the 2006 cross-license agreement. *Promega Corp. v. Life Tech. Corp.*, W.D. Wis. No. 3:10-cv-281-bbc, dkt. #345 at 23-24. That case is still ongoing.

A few months later, on January 10, 2012, the ’748 patent reissued as No. RE43,096 (the ’096 patent), after some nine years in reissue proceedings before the USPTO. On January 13, Alan Hammond, Biosystems’ Vice President of Intellectual Property, sent a letter to Craig Christianson, Promega’s General Counsel, asserting that with issuance of the ’096 patent Promega continued to owe royalties for technologies covered under the cross-license agreement. Hammond gave Promega a January 31, 2012, deadline to confirm that it would comply with these royalty obligations. Hammond also invited discussions about amending the cross-license agreement in light of Judge Crabb’s ruling, which left certain Promega products employing the ’096 patent technology outside the scope of the license. On January 31, 2012, Promega brought this lawsuit against Biosystems over the ’096 patent, later joining Caltech as a codefendant on May 14, 2012.

OPINION

I. Motion to Dismiss for Lack of Subject Matter Jurisdiction

A. Legal Standard

In a declaratory judgment action, the party claiming jurisdiction has the burden of showing “that the facts alleged, ‘under all the circumstances, show that there is a substantial controversy, between the parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.’” *Streck, Inc. v. Research & Diagnostic Sys., Inc.*, 665 F.3d 1269, 1281-82 (Fed. Cir. 2012) (quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007)). As the Federal Circuit has commented with respect to patent cases,

there is no bright-line rule for determining whether an action satisfies the case or controversy requirement. To the contrary, “[t]he difference between an abstract question and a ‘controversy’ contemplated by the Declaratory Judgment Act is necessarily one of degree, and it would be difficult, if it would be possible, to fashion a precise test for determining in every case whether there is such a controversy.” Instead of a bright-line rule, “the analysis must be calibrated to the particular facts of each case”

Prasco, LLC v. Medicis Pharm. Corp., 537 F.3d 1329, 1336 (Fed. Cir. 2008) (internal citations omitted).

B. Analysis

Defendants contend that the court lacks jurisdiction over this declaratory judgment action because there is no case or controversy. More specifically, they argue that there is no case or controversy between Promega and Biosystems -- the parties to Promega’s *initial* complaint -- and that this jurisdictional defect cannot be cured by considering Caltech’s later addition as a defendant. This argument is incorrect on multiple levels.

As an initial matter, even assuming that the court's analysis must be limited to the suit between Promega and Biosystems, it still appears that the court was confronted at the outset with a real case or controversy. While the extent of Biosystems' rights in the '096 patent to sue Promega on its own for declaratory judgment on the patent is an open question, Promega undoubtedly can independently sue Biosystems over their 2006 cross-license agreement. Having had the unfettered authority to enter into that agreement with Promega, nothing precluded Biosystems from enforcing its contractual rights by bringing suit without Caltech's permission. The court reads the original complaint to be, at least partially, about the application of that cross-licensing agreement to the '096 patent. Since at this point the only dispute is whether *some* jurisdiction-creating controversy existed between the original parties at the time of suit, any additional claims related to enforcement of the patent could, at minimum, await Caltech's permission or addition as a party to this suit.

Moreover, the court disagrees with defendants' contention that a technical jurisdictional defect arising from failure to join the proper defendant cannot be cured by amending the complaint. As support, defendants cite one unpublished opinion, *Newmatic Sound Systems, Inc. v. Magnacoustics, Inc.*, No. C 10-00129 JSW, 2010 WL 1691862, *3-4 (N.D. Cal. April 23, 2010). However, in this court's view, *Newmatic* was incorrectly decided for the reasons persuasively articulated by our sister court in *Asius Technologies, LLC v. Sonion US, Inc.*, 835 F. Supp. 2d 554, 560-61 (N.D. Ill. 2011) (evaluating jurisdiction based upon the plaintiff's allegations in its amended complaint).

Accordingly, the court will treat Promega's third amended complaint, in which Biosystems and Caltech are both defendants, as the operative pleading.

Since Promega has sued Biosystems and Caltech jointly for declaratory judgment, the court asks whether Promega was confronted with a case or controversy as to the two defendants *jointly*. First, this means asking whether defendants could have jointly enforced the patent against Promega at the time this lawsuit was initiated. *Benitec Australia, Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1344 (Fed. Cir. 2007) ("A useful question to ask in determining whether an actual case and controversy exists is what, if any, cause of action the declaratory judgment defendant may have against the declaratory judgment plaintiff."). Second, it means asking whether defendants had taken actions to enforce the patent at the time of suit. The court answers both questions in the affirmative.⁴

1. Legal Right to Enforce the Patent

Patentees, assignees, exclusive licensees who have received "all substantial rights under the patent," and even exclusive licensees without all substantial rights (provided they join the patent owner or assignee as a co-plaintiff), have the right to affirmatively sue for infringement. *Intellectual Prop. Dev., Inc. v. TCI Cablevision of Cal., Inc.*, 248 F.3d

⁴ As defendants are sued jointly, the court takes no position on the question of whether Promega would have had standing to sue either defendant individually, or whether, having established a case or controversy as to one defendant, a plaintiff must satisfy the standing requirements as to each additional properly joined defendant. Some scholarly analysis suggests that this is not a strictly-enforced rule in many circuits, including the Seventh. See Juliet Johnson Karastelev, *On the Outside Seeking In: Must Intervenor Demonstrate Standing to Join a Lawsuit?*, 52 Duke L.J. 455, 467-68, 470 (2002) (critiquing an arguable disconnect between joinder and intervention permitted by the Federal Rules of Civil Procedure and the formal requirements for Article III standing).

1333, 1346-47 (Fed. Cir. 2001). As previously discussed, Biosystems was granted the contractual right to “take appropriate action to terminate or prevent [] infringement, provided, however, that [it] may not bring an action nor enter into any settlement agreement with an accused infringer without written approval of Caltech.” (Caltech Agreement, dkt. #40, Ex. B at 15.) For its part, Caltech possessed all residual ownership rights in the patent *not* assigned to Biosystems. Certainly, between them, the defendants possessed “all substantial rights” in the patent, and had they chosen to, would have had standing to bring a joint cause of action for infringement.

Although Caltech’s permission was a technical requirement for Biosystems to move forward with any enforcement suit, Biosystems’ failure to obtain express permission from Caltech at the time of the suit means very little. First, permission was assured for all practical purposes, because Caltech had already agreed that approval for any action would “not be unreasonably withheld,” and had agreed “to be joined as a party plaintiff in any such action.” (Caltech Agreement, dkt. #40, Ex. B at 15-16.) Second, as addressed in the earlier discussion, any arguable defect has since been cured by Caltech’s addition as a party.

2. Immediate and Concrete Disagreement

Defendants argue that even if the right to enforce the patent existed, neither Biosystems nor Caltech had taken any steps to enforce the patent, and thus their relationship with Promega had not progressed to the point of a definite and concrete dispute. Defendants point out that the mere “existence of a patent is not sufficient to establish declaratory judgment jurisdiction,” *Creative Compounds, LLC v. Starmark Labs.*,

651 F.3d 1303, 1316 (Fed. Cir. 2011), particularly in the absence of “some affirmative act by the patentee” suggesting imminent enforcement. *SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1381 (Fed. Cir. 2007). Promega replies that the letter Biosystems sent it in January 2012 was just such an affirmative act.

Promega again has the better argument. Indeed, the letter speaks for itself. The most pertinent portions read:

Please be advised that the reissue proceedings concerning the '748 Patent have concluded, and Reissue Patent No. 43,096 was granted on January 10, 2012.

...

Pursuant to Section 3.2(b) of the Cross-License Agreement, Promega is now obligated to pay to [Biosystems] a royalty of two percent on the Net Sales of Licensed Products. . . .

Please confirm by January 31, 2012 in writing that Promega will be complying with its obligations under Section 3.2(b) of the Cross-License Agreement, both past and future.

...

[In light of Judge Crabb's summary judgment decision in 10-cv-281] Promega is not licensed under the Cross-License Agreement in [certain fields] and we understand that Promega is currently and has in the past sold products and promoted the use of its products into [those fields.]

...

Accordingly, we request that Promega immediately take all appropriate steps to ensure that it is in full compliance with the terms of the Cross-License Agreement.

(Demand Letter, dkt. #40, Ex. C.)

This carefully-phrased letter does not explicitly threaten a lawsuit, but the possibility of one is undeniably present in its subtext. Moreover, although the letter *can*

be characterized as containing a thinly-veiled threat of legal action (particularly given the litigation history between the parties), it need not be so characterized to create a case or controversy under the *MedImmune* standard. A case or controversy exists as long as defendants have taken any action that constitutes a “restraint on the free exploitation of non-infringing goods,’ or an imminent threat of such restraint.” *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1339 (Fed. Cir. 2008) (quoting *Red Wing Shoe Co., Inc. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1360 (Fed. Cir. 1998)). This threshold is met when a patent licensee or owner “creat[es] a reasonable apprehension of an infringement suit,” but it is also met when the licensee or owner merely “demand[s] the right to royalty payments.” *Id.* See also *Teva Pharmaceuticals USA, Inc. v. Novartis Pharm. Corp.*, 482 F.3d 1330, 1339 (Fed. Cir. 2007) (recognizing that the Supreme Court has rejected the reasonable-apprehension-of-suit test and now looks to “all of the circumstances” to determine whether there is a justiciable Article III controversy).

As defendants point out, the demands in Biosystems’ letter center on compliance with the parties’ 2006 cross-license agreement, making no explicit claim about infringement of the ’096 patent itself. But what is the 2006 Agreement without the ’096 patent? Putting any doubts to rest about whether Promega accurately interpreted the import of Biosystems’ letter, it seems that Caltech and Biosystems’ parent company, Life Technologies Corporation, filed an action on November 19, 2012, against Promega in the Central District of California asserting infringement of the ’096 patent, which is precisely what Promega anticipated in bringing this suit. (*See* Summons and Complaint) (dkt. #151, ex. A.)

Finally, defendants argue that even if the enforcement letter gives ground to sue Biosystems, Caltech is not a proper defendant because it played no role in Biosystems' early enforcement efforts. See *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992) (a plaintiff has standing only against defendants to whom its injury or threatened injury is fairly traceable). To the contrary, the patent enforcement lawsuit Promega seeks to anticipate requires the concerted action of both defendants: (1) Biosystems to sue and (2) Caltech to grant approval and perhaps also to be joined as co-plaintiff (depending on whether Biosystems has “all substantial rights”). While the inflammatory communications that give rise to this suit can be directly attributed only to Biosystems, Caltech is nevertheless irrevocably tied to any threatened lawsuit because it has contractually committed not only to give consent to all reasonable requests to sue, but also to be joined in any reasonable lawsuit unilaterally launched by Biosystems. *Both* defendants may thus be considered to have threatened or implicitly threatened an enforcement suit.

II. Motion to Dismiss Under the Court's own Discretion not to Entertain a Declaratory Judgment Action

“Even if there is a case or controversy, ‘district courts possess discretion in determining whether and when to entertain an action under the Declaratory Judgment Act, even when the suit otherwise satisfies the subject matter jurisdictional prerequisites.’” *3M Co. v. Avery Dennison Corp.*, 673 F.3d 1372, 1376 (Fed. Cir. 2012) (quoting *Wilton v. Seven Falls Co.*, 515 U.S. 277, 282 (1995)). Because the court is convinced that the dispute over infringement, enforceability and validity of the '096

patent is just the sort of case or controversy that the drafters of the declaratory judgment act had in mind – to say nothing of a dispute over the meaning of a cross-licensing agreement entered into in response to a lawsuit in (and later interpreted by) this court – it will exercise the court’s discretion by accepting the case.

III. Motion to Dismiss Count IV of the Complaint

Count IV of Promega’s third amended complaint seeks a declaration that Biosystems can never enforce the ’096 patent without adding Caltech as a co-plaintiff. (Complaint, dkt. #42, ¶ 50.) Defendants argue that this is both (1) not a legally cognizable claim; and (2) moot in light of Caltech’s present status as a co-defendant. The court will dismiss this Count because the issue raised is not yet ripe.

The court is presently hearing Promega’s suit for declaratory judgment of non-infringement, unenforceability and invalidity of the ’096 patent. Defendants are compelled to bring any claims of infringement they may have or to waive them. *Polymer Indus. Prod. Co. v. Bridgestone/Firestone, Inc.*, 347 F.3d 935, 938 (Fed. Cir. 2003) (“[Federal Rule of Civil Procedure] 13(a) makes an infringement counterclaim to a declaratory judgment action for noninfringement compulsory.”). If defendants decline to bring counterclaims, or bring counterclaims together as co-plaintiffs, there will be no need to decide the issue raised in Count IV. If defendants each attempt to bring counterclaims of infringement separately, Promega is free to raise the argument contained in Count IV as a defense. Any counterclaims not brought before this court will either be (1) barred as related and ripe and, therefore, decided; or (2) unrelated or not ripe and, therefore,

beyond the scope of this suit. Regardless, the court will not decide matters unnecessary to a resolution of the dispute before it, nor speculate over matters not before it.

IV. Caltech's Motion to Transfer to the Central District of California

Under 28 U.S.C. § 1404(a), a district court may “[f]or the convenience of parties and witnesses, in the interest of justice . . . transfer any civil action to any other district . . . where it might have been brought.” Decisions regarding transfer of patent actions are governed by the law of the circuit where the district court sits. *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1352 (Fed. Cir. 2000). In the Seventh Circuit, transfer is called for where the moving party demonstrates that: (1) venue is proper in the transferor district; (2) venue and jurisdiction are proper in the transferee district; and (3) the transfer will serve the convenience of the parties, the convenience of the witnesses, and the interests of justice. *Coffey v. Van Dorn Iron Works*, 796 F.2d 217, 219-220 (7th Cir. 1986).

The first two factors are straightforward enough. In this case, the parties do not dispute that venue and personal jurisdiction are proper in both Madison and California. As for the third consideration, § 1404(a) “permits a ‘flexible and individualized analysis’ and affords district courts the opportunity to look beyond a narrow or rigid set of considerations in their determinations.” *Research Automation, Inc. v. Schrader-Bridgeport Int’l, Inc.*, 626 F.3d 973, 978 (7th Cir. 2010) (quoting *Stewart Org., Inc. v. Ricoh Corp.*, 487 U.S. 22, 29 (1988)). Even under this flexible standard, however, Caltech has not

mat its burden by showing that transfer will substantially aid the interests of convenience and justice.

A. Deference Due Plaintiff's Choice of Forum

Considerations of convenience and justice are generally set against a backdrop of deference to the plaintiff's choice of forum. *Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 255 (1981). "In the case of a declaratory judgment action, however, this principle has less force: but for [plaintiff's] preemptive filing . . . [the declaratory judgment] would be in all respects [the defendant's] suit, and he would have been entitled to file whenever he wanted, wherever he wanted." *Hyatt Int'l Corp. v. Coco*, 302 F.3d 707, 718 (7th Cir. 2002). Thus, the defendants in this action, Biosystems and Caltech, are in fact the "natural plaintiff[s]" -- the one[s] who wish[] to present a grievance for resolution by a court . . . [and the Seventh Circuit has] expressed wariness at the prospect of a suit for declaratory judgment aimed solely at wresting the choice of forum from the 'natural plaintiff.'" *Id.* at 718. The court will, therefore, grant Promega's forum choice less deference than would be accorded the typical plaintiff in a suit for affirmative relief.

B. Convenience to Parties and Witnesses

Convenience to the parties and witnesses is, in many cases, another name for proximity to the principle sources of proof. Caltech and Promega each argue that the lion's share of the evidence is in, or more accessible from, their chosen district. Caltech contends that four of the five inventors -- each of whom may be called as a witness on the

subject of patent validity -- live on the West Coast. Promega focuses on potential infringement arguments, noting that “[i]n patent infringement cases, the bulk of the relevant evidence usually comes from the accused infringer.” *In re Genentech, Inc.*, 566 F.3d 1338, 1345 (Fed. Cir. 2009). At this point, the court cannot say which side has the better of this argument, but notes that “[w]here the balance of convenience is a close call, merely shifting inconvenience from one party to another is not a sufficient basis for transfer.” *Research Automation, Inc. v. Schrader-Bridgeport Int’l, Inc.*, 626 F.3d 973, 979 (7th Cir. 2010).

Moreover, in patent cases such as this, the principal sources of material proof are likely to be technical and legal documents in the possession of scientists and attorneys, and the principle sources of testimony are likely to come from as-yet-unnamed experts. *Illumina, Inc. v. Affymetrix, Inc.*, No. 09–cv–277–bbc, 2009 WL 3062786, at *3 (W.D. Wis., Sept. 21, 2009) (“In patent lawsuits, where experts and lawyers end up playing the starring roles, mention of ‘witnesses’ and ‘records’ in a given district carries minimal weight.”). This makes it hard to see how the location of the court will have a significant impact on the course of discovery or even trial. This court, and more importantly the Seventh Circuit, have repeatedly recognized in recent years that “technological advancements have diminished traditional concerns related to ease of access to sources of proof and the cost of obtaining attendance of witnesses.” *Milwaukee Elec. Tool Corp. v. Black & Decker (N.A.) Inc.*, 392 F. Supp. 2d 1062, 1064 (W.D. Wis. Sept. 28, 2005). See also *Bd. of Tr’s, Sheet Metal Workers’ Nat’l Pension Fund v. Elite Erectors, Inc.*, 212 F.3d 1031, 1037 (7th Cir. 2000) (“Easy air transportation, the rapid transmission of

documents, and the abundance of law firms with nationwide practices, make it easy these days for cases to be litigated with little extra burden”). For example, interrogatories can be answered and depositions can be taken virtually anywhere; even at trial, video depositions or live testimony by video -- as opposed to in-person testimony -- tend to be satisfactory in addressing technical patent issues. *Medi USA, L.P. v. Jobst Inst., Inc.*, 791 F. Supp. 208, 211 (N.D. Ill. 1992).

C. Interests of Justice

The “interests of justice” is a separate component and “may be determinative in a particular case, even if the convenience of the parties and witnesses might call for a different result.” *Coffey*, 796 F.2d at 220. Traditionally this analysis relates to the “efficient administration of the court system,” and entails considerations such as the district in which the litigants would receive a speedier trial and a district’s existing familiarity with applicable facts and law. *Id.* at 221; *Illumina*, 2009 WL 3062786 at *5.

With respect to litigation speed, Caltech has shown that the judges in the Central District of California have a comparatively lighter caseload, but wholly fail to demonstrate how this translates into appreciably faster litigation. Because this court still practices a policy of setting a firm trial date early in the proceedings, the parties can expect a relatively speedy march to trial if the case remains in Wisconsin. The same has not historically been true of the Central District of California, and although this may

change with that district's participation in a relatively-new experimental patent pilot program, there is no evidence of that yet.⁵

The other relevant factor in the “interests of justice” analysis -- judicial efficiency - comes out in favor of Promega. This court is already familiar with issues raised in the ongoing 2010 litigation between Promega and Biosystems. Although that litigation does not directly concern the '096 patent or its predecessors, it does overlap with respect to the 2006 cross-licensing agreement, which may be raised by Promega as a defense to any patent infringement counterclaims. Indeed, Judge Crabb has already interpreted some of the important terms in the cross-licensing agreement. While her summary judgment opinion on this topic is not yet part of a final judgment (and thus not yet entitled to issue preclusive effect) her opinion will undoubtedly inform this court's treatment of the cross-licensing agreement going forward.

Promega also points out that this is not the first time the subject matter of the '096 patent has come before this court -- Judge Crabb has previously construed certain terms of its predecessor patent in yet another case. *See Promega Corp. v. Applera Corp.*, W.D. Wis., No. 01-C-244-C, dkt. ##40, 56. This is a less convincing argument. Judge Crabb construed those patents terms more than a decade ago, and it is not even apparent

⁵ The Central District of California has recently been selected as a participating district in a patent pilot program enacted under Pub. L. No. 111-349, 124 Stat. 367. According to Representative Hank Johnson, Jr., who co-sponsored the House bill that enacted the program, one goal is to “create a cadre of judges who gain advanced knowledge of patent and plant variety protection through more intensified experience in handling the cases.” (http://www.uscourts.gov/News/TheThirdBranch/11-02-01/Pilot_Program_to_Enhance_Expertise_in_Patent_Cases.aspx.) While the salutary effects of the program are no doubt being felt already, Caltech does not offer any evidence that one of the effects is a trend toward quicker litigation.

that the terms she construed are at issue in this dispute.⁶ Therefore, this court's prior experience with the patent is expected to have little, if any, benefit.

Indeed, the Central District of California has, if anything, somewhat *more* experience dealing with the predecessor to the '096 patent, having heard two cases related to the patent in the past decade. *Huang v. Caltech*, C.D. Cal, No. 03-cv-1140; *U.S.A. ex rel. MJ Research, Inc. v. Applera Corp.*, C.D. Cal., No. cv-03-05429. However, those cases dealt with an inventorship dispute and a qui tam action involving funding of the inventions; in other words, with matters ancillary to the actual substance of the patent. On balance, then, Caltech again fails to meet its burden of establishing good grounds for transfer.

ORDER

IT IS ORDERED that:

- 1) defendant Applied Biosystems' motion to dismiss (dkt. #80) is GRANTED with respect to Count IV of plaintiff's complaint, and is DENIED in all other respects; and

⁶ In reviewing the current motions, the court became aware for the first time that Promega's General Counsel, Craig Christenson, has played some role in the dispute between the parties here, at least to the extent of playing some role in the parties' 2010 lawsuit over the scope of the 2006 cross-license agreement and receiving the January 10, 2012, letter from Biosystem's Vice-President of Intellectual Property, which precipitated the present lawsuit. I consider both Craig and his wife, Karen Christenson, to be good friends and have attended social gatherings in their home (mainly holiday open houses), although none in at least five years. At least for the court, our friendship is not so close as to require recusal, nor even to cause any concern that it would in any way influence my decision-making in this case, particularly because Attorney Christenson's likely role would appear to be as company counsel and not as witness, and certainly not as a *key* witness. Nevertheless, any party is certainly free to bring a timely motion should they believe recusal is appropriate.

2) defendant California Institute of Technology's motion to dismiss or transfer (dkt. #95) is GRANTED with respect to Count IV of plaintiff's complaint, and is DENIED in all other respects.

Entered this 4th day of December, 2012.

BY THE COURT:

/s/

WILLIAM M. CONLEY
District Judge